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State of California

# DWCNewsline

Division of Workers' Compensation  
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## **Division of Workers' Compensation posts interim pharmaceutical fee schedule data file due to impact of Medi-Cal changes**

The Division of Workers' Compensation (DWC) has posted an interim pharmaceutical fee schedule data file because of recent Medi-Cal changes. DWC normally posts updated pharmaceutical fee files on its Web site on a weekly basis. DWC has been informed by the Department of Health Care Services, (DHCS) that due to Medi-Cal changes the Sept. 28, 2011 file will be the last file sent to the division for approximately one month.

Several changes in the Medi-Cal program are impacting the availability of updated pharmaceutical fees. Due to statutory amendment, the Medi-Cal maximum fee methodology is changing from the "estimated acquisition cost" to the "average acquisition cost." The new formula for the "average acquisition cost" will be based on survey data on actual pharmacy acquisition costs and will not utilize the "average wholesale price" as the prior formula did. First Data Bank, which supplies DHCS with AWP data ceased to publish AWP at the end of September 2011. The new formula will not be implemented until February or March of 2012.

In order to maintain the Medi-Cal pharmaceutical fee schedule until the average acquisition cost methodology is implemented, Assembly Bill 102 (Chapter 29, Statutes of 2011), the "Health Trailer Bill," was adopted to give DHCS authority to arrange for First Data Bank to continue to supply weekly pharmaceutical fee files using the same methodology that had been used while AWP was being published.

Currently the fiscal intermediary for Medi-Cal is shifting from Hewlett-Packard Enterprise Services (HP) to Affiliated Computer Services Inc., (ACS). Due to this change, Medi-Cal will be using the Sept. 28, 2011 data file to issue payments for approximately one month, until ACS, the new fiscal intermediary, is able to utilize the AWP updated file. When ACS is ready to use the updated AWP data, Medi-Cal will re-process bills to correct payments to conform to the weekly price changes that had occurred during the period that the updated AWP was not available.

The pharmaceutical price data file updated Sept. 28, 2011 is posted on the DWC Web site for use in determining maximum workers' compensation pharmaceutical payments and is utilized in the simple and compound prescription price calculators on the Web site. The data file will not be updated until the new Medi-Cal file is received which is anticipated to be in approximately one month. At that time the file will include the Medi-Cal rates for the time period when the updated file was not available.

The updated file will allow workers' compensation payers to make corrected payments for pharmaceutical bills that were paid during that period. Payers and providers may consider whether there are contracts in place that may impact the need to re-process bills and issue corrected payments.

The Sept. 28, 2011 [data file and price calculators](#) can be accessed through the DWC's pharmaceutical fee schedule Web page.

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